

## The ABC's of ESG

You may be hearing the term “ESG” in the investing world more often. But what does it mean?

ESG focuses on three core terms; Environmental, Social and Governance. Let's find out more about each one.

As concerns over **environmental** risks, such as climate change and loss of biodiversity increase, investors are looking for ways to support companies that take an active role in protecting the environment and becoming greener.

**Social factors** focus on the relationship that a company has with its employees, consumers, suppliers, and communities. Companies that do a good job at managing these relationships can thrive while staying at the forefront of social change.

**Governance factors** relate to the structures put in place to ensure effective direction and control of a corporation. Companies incur operational and disclosure-related costs as they engage in good corporate behaviour. But they also stand to enjoy efficiency gains, greater trust from stakeholders and other long-term benefits.

ESG investing can say a lot about you! If you want to support solutions to some of the most serious issues currently facing our world, speaking to your advisor about aligning your personal values and financial goals is a perfect way to start.



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